

SECURITY INFORMATION

15 April 1952

25X1 NOTES FOR [] IN PREPARATION OF COVER LETTER FOR INSPECTOR GENERAL

1. In accordance with your instructions, this Division has prepared a report on obligations that have been incurred, and obligations that this Division has undertaken, in FY '51 and FY '52. This report is based on the information which exists not only within the Division but within the Agency as well.

2. The prime purpose of this report is to point out that the monies that were allotted to the Division, and in turn obligated by the Division for hardware in support of the [] program, fall in two major categories, i.e., 25X1 that in support of the [] and that of the FE effort less the [] effort.

3. There seems to be considerable misunderstanding as to the term [] and its usage. As you can see from the enclosures ^(Exhibit -) of the information available at this time, hardware is just one part of that which constitutes the obligations incurred under the use of [] 25X1 25X1

4. There is no indication to even assume that the utilization of [] by the Chiefs of Missions has been misused to date. If the Chiefs of Missions were deprived of this source which is, you might say, their life line of existence, the Division, for all [] operations and the majority of other activities undertaken by this Division, would be out of business today. The Division has asked for guidance from the appropriate offices of the Agency regarding a policy and a plan whereby field stations could be put on a monthly or quarterly allotment to include []. To date this Division has received no guidance in this matter.

5. In order to assure that the Division would be in a position to cover obligations incurred in the field, in March of this year the Chiefs of Stations were directed to submit their estimated obligations which they would require for the remainder of FY 52 indicating those to be incurred by [] 25X1 In addition, the Division has at the present time a Washington representative in the field assisting the Chiefs of Missions in this matter, and reporting that information when available.

6. As another matter of interest, the statistical records which this Division is continually being asked to submit periodically resulted in that the Division, although not authorized to do so by the present Table of Organization, activated a Budget/Finance Section, a Transportation Section, and a Supply Control Section. The reason that the Division activated these

HS/CSG-666

Approved For Release 2005/12/23 : CIA-RDP83-00036R000400160009-1

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HISTORICAL DOCUMENT

25X1
 Name []
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 1. This document contains information that is exempt from public release under E.O. 13526, 1.4.

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sections was that nowhere within the Agency could there be obtained complete statistical information concerning monies and materiel, and status thereof, that were requisitioned by Headquarters, Washington, or those obligations incurred by the field stations.

25X1 7. In reference to the exercise which was conducted, and from which was derived a figure of [REDACTED], the following explanation is in order. This exercise was conducted upon request of the Logistics Division, OPC, for the express purpose of determining what could be expected of a Control Center, providing that it was properly equipped and staffed. The figure that came out of this exercise resulted from the arbitrarily placing of figures on items throughout the exercise in order for the exercise to progress. The figure that was in question never had the authorization of this Division to be released. Further, this Division is on record with the Logistics Division regarding this matter. However, since that date an audit was made concerning the inventories with the best available information concerning nomenclature and prices, which is at best inadequate, which audit result in a figure slightly less than [REDACTED]

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AREA OR COUNTRY(S)	ORGANIZATION(S)	GENERAL FUNCTION(S)	SPECIFIC FUNCTION(S)	DOC DATE CLASS
	Approved For Release 2005/12/23		CIA-RDP83-00036R000400160009-1	S
HQ	OPC	SUP	Budget	15 April
China	FE		Organization	1952
	IG			

IDENTIFICATION OF DOCUMENT

25X1 Unsigned memo found in [redacted] 25X1
 25X1 chrono file. "Notes for [redacted] in Preparation of Cover Letter
 for Inspector General.

ABSTRACT NOTATION REFERENCES

Explanation of great importance of [redacted] funds. Discussion 25X1
 of budgetary controls within FE Division.

DOCUMENT LOCATION

HS/CSG-666

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